

**ELECTION FORM  
TENNESSEE VALLEY AUTHORITY  
5.88% POWER BONDS 1997 SERIES C DUE APRIL 1, 2036  
CUSIP NUMBER 880591CS9  
OPTION TO ELECT REPAYMENT  
ON APRIL 3, 2006**

To: Tennessee Valley Authority

The undersigned beneficial owner of Tennessee Valley Authority ("TVA") 5.88% Power Bonds 1997 Series C Due April 1, 2036 (the "Bonds"), together with the Holder ("Depository Institution") thereof, hereby exercise an option for repayment of the principal amount of Bonds designated below on April 3, 2006, and agree to wire such Bonds to TVA's General Account 7010 Issuer, at the Federal Reserve Bank of New York, ABA 021038860, by 2:30 PM Eastern Prevailing Time on March 27, 2006. The Depository Institution must send a Type Code 2502 message, free of payment, to: "TVA/ISSUER/ASSIGNED ELECTION NUMBER XX" (Example: TVA/Issuer/Assigned Election Number 01).

To be valid, this Election Form must be received by TVA at the office specified in the instructions for completing this Election Form no earlier than March 1, 2006 and no later than March 15, 2006. The undersigned beneficial owner and Depository Institution acknowledge that this election shall have no effect if the Bonds are not timely wired as required above or if the amount of the Bonds wired to TVA for repayment does not correspond exactly to the principal amount designated on line (6) below.

(1) \_\_\_\_\_ (2) \_\_\_\_\_  
(Name of Beneficial Owner) (Signature of Beneficial Owner)

(3) \_\_\_\_\_ (4) \_\_\_\_\_  
(Name of Depository Institution (Holder)) (ABA Routing Number)

(5) \_\_\_\_\_  
(Signature of Depository Institution Representative)

(6) \_\_\_\_\_ (7) \_\_\_\_\_  
(Principal Amount to be Repaid) (Date of Election)

(8) Depository Institution Representative:

Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_ e-mail Address: \_\_\_\_\_

Mailing Address (no P.O. Boxes): \_\_\_\_\_

\_\_\_\_\_

(9) Wire instructions for payment of principal and interest:

Bank Name: \_\_\_\_\_

ABA Number: \_\_\_\_\_ Account Name: \_\_\_\_\_

Account Number: \_\_\_\_\_ Reference (optional): \_\_\_\_\_

Election Number\* (to be completed by TVA):

\*To be assigned by TVA upon receipt of this Election Form. An acknowledgment, in the form of a copy of this document with the assigned Election Number, will be returned to the party and location designated on line (8) above no later than March 21, 2006.

**INSTRUCTIONS FOR COMPLETING ELECTION FORM  
AND EXERCISING REPAYMENT OPTION  
FOR APRIL 3, 2006**

1. Indicate name of beneficial owner on line (1).
2. Affix authorized signature of beneficial owner or its agent on line (2). Signature must be guaranteed by Depository Institution designated on line (3) or the appropriate financial intermediary.
3. Indicate name of Depository Institution holding the book-entry Bonds on the book-entry system of the Federal Reserve Banks on line (3).
4. Insert ABA Routing Number of Depository Institution on line (4).
5. Affix authorized signature of Depository Institution's representative on line (5). Signature must be notarized.
6. Indicate the principal amount of Bonds to be repaid on line (6).
7. Indicate date the Election Form was completed on line (7).
8. Indicate name, mailing address (no P.O. Boxes, please), telephone number, e-mail address and facsimile-transmission number of the party to whom confirmation of this election may be sent on line (8).
9. Indicate the wire instruction for payment of principal and interest on April 3, 2006 on line (9).
10. Mail or otherwise deliver original copy of the completed Election Form to:

Tennessee Valley Authority  
ATTN: Senior Vice President and Treasurer  
WT4C-K  
400 West Summit Hill Drive  
Knoxville, Tennessee 37902

FACSIMILE TRANSMISSIONS WILL NOT BE ACCEPTED. To be valid, a properly completed Election Form must be received by TVA at the above specified office no earlier than March 1, 2006 and no later than the close of business on March 15, 2006.

11. If confirmation of TVA's receipt of the election, including the assigned Election Number is not received by March 21, 2006, telephone TVA at (888) 882-4975 (toll-free).
12. Arrange for the Depository Institution to wire the principal amount of the Bonds to be repaid to TVA's General Account 7010 Issuer, at the Federal Reserve Bank of New York, ABA 021038860, by 2:30 PM Eastern Prevailing Time on March 27, 2006. The Depository Institution must send a Type Code 2502 message, free of payment, to "TVA/ISSUER/ASSIGNED ELECTION NUMBER XX" (Example: TVA/Issuer/Assigned Election Number 01).

For assistance with this form or any questions relating thereto,  
please telephone TVA at (888) 882-4975 (toll-free).